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July 2000

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[REDACTED] - Santiago, Chile - Political Action Project; FY 1972  
Cost: [REDACTED]

AMENDMENT

Contained herein is the request that project [REDACTED] be approved for FY 1972 in the amount of [REDACTED], and that Amendment number 1 to the project for FY 1971 be approved in the amount of [REDACTED]. Amendment 1 includes the following expenditures, all of which were authorized by the 40 Committee (copies of the 40 Committee proposals are attached): [REDACTED] in supplemental funds for election campaign expenses, approved in DIRECTOR [REDACTED] dated 2 March 1971: [REDACTED]  
[REDACTED], and [REDACTED] for [REDACTED] operating expenses of the [REDACTED] approved by DIRECTOR [REDACTED] dated 20 April 1971.

PURPOSE

[REDACTED] is a covert action project designed to provide financial support to the Christian Democratic Party (PDC) of Chile. This financial support will enable the PDC to carry out active opposition to the regime of Marxist President Salvador Allende and his Popular Unity (UP) coalition. Without such support, the PDC would lack the means to wage an effective opposition campaign. [REDACTED] support is also intended to insure that the PDC remains a viable alternative to the UP in future political elections and contests. [REDACTED]  
[REDACTED]

DESCRIPTION

The [REDACTED] project is a covert action activity which consists of providing financial support [REDACTED] to the Christian Democratic Party of Chile. The project thus far consists of [REDACTED]  
[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

BACKGROUND

The need for [REDACTED] support to the PDC resulted from the electoral victory of Allende's Popular Unity government and the installation of a coalition heavily dominated by the Socialist Party (PS) and the Communist Party of Chile (PCCh). Following the Allende inauguration, the PDC found itself not only removed from government, but also cut off from its traditional sources of financial support.

In January of 1971, at the request of [REDACTED] and with the knowledge and concurrence of the Ambassador, a formal request was made for [REDACTED] support to the PDC for the April municipal campaign.

[REDACTED]

Following this meeting, a request for approval of [REDACTED] support to the PDC was prepared for 40 Committee consideration. The

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original request amounted to [REDACTED] this was followed by a supplementary request in the amount of [REDACTED] bringing the total to [REDACTED], which [REDACTED] passed to the PDC via [REDACTED] during the weeks preceeding the 4 April elections.

The PDC emerged from the municipal elections with 25.6% of the total vote, remaining the country's largest single party and reconfirming its role as the leading opposition force to Allende's regime. As a result of this strong electoral showing, most PDC leaders concluded that the party should maintain itself in a clearly identifiable opposition posture to the UP government. Most PDC leaders also agree that the party is presently a more united force than prior to the elections.

[REDACTED]

Following these encouraging election outcomes, the PDC has turned its attention to longer range political program needs. In order to maintain the party as a viable and aggressive political force, the PDC will need a wide range of action programs and support mechanisms. The program which [REDACTED] have drawn up for [REDACTED] approval would permit the PDC to engage in a wide range of political and organizational activities among major sectors of Chilean society.

#### OPERATIONAL PROGRAM

1) [REDACTED]

2) [REDACTED]

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[REDACTED]

[REDACTED]

#### COORDINATION

The [REDACTED] project, including the specific amounts of [REDACTED] support, has been fully coordinated with the Ambassador, the Deputy Chief of Mission, and the Political Counselor.

#### EMERGENCY PLANS

The Station anticipates that the Allende government will make it increasingly difficult for the opposition political parties to support themselves and obtain sources of funding. As this occurs, the government will be wary for covert sources of funds for the PDC and will take greater efforts to expose or terminate such financing. The Station is aware of this problem and will continually review the security factors of the project as the government increases its harassment of opposition political groups. In the event of civil disturbance or upheaval, the Station feels it could securely maintain contact with [REDACTED]

[REDACTED]

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